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IN THE

Supreme Court of the United States

October Term, 1968

No. 1151

BROADVIEW CHEMICAL CORPORATION,

Petitioner,

vs.

LOCTITE CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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vs.

LOCTITE CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, Broadview Chemical Corporation, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled cause on January 23, 1969.

OPINIONS BELOW

The opinion of the United States District Court for the District of Connecticut is reported at 159 U.S.P.Q. 80, and is printed in the Appendix, pp. A-28 to A-41. The opinion of the court of appeals, reported below at —— F.2d ——, 160 U.S.P.Q. 449, is printed in the Appendix, pp. A-42 to A-53.

JURISDICTION

The judgment of the court of appeals was entered January 23, 1969. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

QUESTIONS PRESENTED FOR REVIEW

(1) Did the Court of Appeals for the Second Circuit act contrary to public policy and commit reversible error in refusing to hold that Respondent is estopped from asserting contempt of court for compositions similar in all significant respects to those deliberately excluded from Respondent's infringement charge?

(2) Did the Court of Appeals for the Second Circuit deny the Petitioner due process of law by refusing to compel the district court to consider the prior art in a contempt proceeding brought to enforce a consent decree?

CONSTITUTIONAL PROVISION INVOLVED

The constitutional provision involved is Amendment Five, which reads as follows:

> No person shall . . . be deprived of life, liberty, or property, without due process of law . . . .

STATEMENT OF THE CASE

The Petitioner, Broadview Chemical Corporation, is the only significant competitor of the Respondent in the field of anaerobic sealant compositions. These compositions have the property of remaining liquid in the presence of air, while losing their liquidity and setting up in the absence of air. They are therefore useful when it is desired to seal two components together, such as a nut and a bolt.

The Respondent, Loctite Corporation, is the owner of several patents relating to anaerobic sealants. Respondent has refused to license these patents, preferring to use them to maintain an exclusive position in the industry. The present litigation was initiated by the filing of a declaratory judgment action under 28 U.S.C. § 2201, seeking a declaration of invalidity and non-infringement of three of Respondent's patents. Petitioner supplied the complete formulations for his sealant compositions (A-8) to the Respondent, and, based upon these formulations, the parties entered into a Stipulation of Facts (A-1), which defined the "infringement charge." This "infringement charge" may be summarized as follows:

LOCTITE PATENTS	BROADVIEW FORMULATIONS CHARGED TO INFRINGE
'950 patent	III, V-XXVIII, XXX-XXXII
'820 quinone patent	IV-VI, IX-XII, XVI, XXIV-XXVI, XXXII
'262 saccharin patent	II, III, V, VI

As the above table shows, the infringement charge made it perfectly clear that Loctite's patents were considered to be separate entities, and that only certain particular Broadview formulations were charged to infringe each patent. The following table summarizes the information supplied to the Respondent, which was used to define the infringement charge and the issues in this litigation.[1] As the table demonstrates, this was not a haphazard infringement charge, but was founded on a definite correspondence to the components of Broadview's formulations.

---

[1] The complete Broadview formulations, as supplied to the Respondent, are set out in Appendix, page A-8.

SUMMARY OF BROADVIEW FORMULATIONS

Formula No.	SR-210 (Monomer)	SR-206 (Monomer)	Formamide Salt of Saccharin in Formamide	Hercules CHP (Cumene Hydroperoxide)
I	YES	NO	NO	NO
‡ II	YES	NO	‡ YES	NO
‡ * III	YES	NO	‡ YES	* YES
† IV	YES	† YES	NO	NO
‡†* V	YES	† YES	‡ YES	* YES
‡†* VI	YES	† YES	‡ YES	* YES
* VII	YES	NO	NO	* YES
* VIII	YES	NO	NO	* YES
†* IX	YES	† YES	NO	* YES
†* X	YES	† YES	NO	* YES
†* XI	YES	† YES	NO	* YES
†* XII	YES	† YES	NO	* YES
* XIII	YES	NO	NO	* YES
* XIV	YES	NO	NO	* YES
* XV	YES	NO	NO	* YES
†* XVI	YES	† YES	NO	* YES
* XVII	YES	NO	NO	* YES
* XVIII	YES	NO	NO	* YES
* XIX	YES	NO	NO	* YES
* XX	YES	NO	NO	* YES
* XXI	YES	NO	NO	* YES
* XII	YES	NO	NO	* YES
* XXIII	YES	NO	NO	* YES
†* XXIV	YES	† YES	NO	* YES
†* XXV	YES	† YES	NO	* YES
†* XXVI	YES	† YES	NO	* YES
* XXVII	YES	NO	NO	* YES
†* XXVIII	YES	† YES	NO	* YES
XXIX	YES	NO	NO	NO
* XXX	YES	NO	NO	* YES
* XXXI	YES	NO	NO	* YES
†* XXXII	YES	† YES	NO	* YES

†—Charged to infringe the '820 quinone patent
‡—Charged to infringe the '262 saccharin patent
*—Charged to infringe the '950 patent

Thus, only those formulations containing saccharin were charged to infringe the '262 saccharin patent; only those formulations containing SR-206 were charged to infringe the '820 quinone patent; and only those formulations containing cumene hydroperoxide were charged to infringe the '950 patent. That formulations I and XXIX were excluded from the "infringement charge" was confirmed by the settlement agreement (A-5-7), entered into by the parties in order to settle the litigation. At the same time, the parties entered into a consent decree in which the Petitioner consented to the validity and past infringement of the Loctite patents in suit.

Subsequent to the consent decree, Broadview marketed a new line of formulations, designated CP-1 through CP-9. CP-8 and CP-9 were identical to formulations I and XXIX, which were entirely excluded from the infringement charge. CP-1 through CP-7 were compounded to avoid infringement in light of the infringement charge. For example, the cumene hydroperoxide was eliminated to avoid infringement of the '950 patent and the SR-206 was eliminated to avoid infringement of the '820 quinone patent.[1]

Not satisfied by all of these changes, the Respondent initiated a contempt proceeding based upon the aforementioned consent decree on September 21, 1967, charging infringement of the '820 quinone and '262 saccharin patents by Broadview's new formulations CP-1 through CP-9. The court of appeals affirmed the decision of the trial court as to formulations CP-1 through CP-7, but reversed the trial court as to formulations CP-8 and CP-9, because they correspond exactly to Broadview's formulations I and XXIX, which were excluded *entirely* from the infringement charge.

---

[1] An amine was also employed in the compositions, which Petitioner believed would avoid infringement of the '262 saccharin patent, the claims of which stated that the composition is "free of amines." However, this modification involved issues of file wrapper estoppel not presented in this Petition.

However, the court of appeals did not adopt Petitioner's argument that Loctite is now estopped from charging infringement by compositions similar in all significant respects to those excluded from the original infringement charge for the '820 quinone patent.

At the contempt proceeding before the district court, Petitioner attempted to show that his compositions were in the prior art, and therefore part of the public domain which is free of any patent monopoly. Specifically, petitioner directed interrogatories 86-87 (A-9-11) and 93-94 (A-12) to the Respondent, seeking to determine whether or not compositions similar to the Petitioner's accused compositions were in the public domain. Petitioner further sought to determine whether or not Respondent contended that such compositions were an infringement and a violation of the consent decree. All of these interrogatories were objected to by the Respondent.

In support of his objections, counsel for Respondent cited *Chemical Cleaning, Inc.* v. *Dow Chem. Co.*, 379 F.2d 294 (5th Cir. 1967), arguing that, under this authority, prior art could not be introduced to interpret the scope of the claims involved in a contempt proceeding. Relying on *Dow*, the court sustained Respondent's objections to Petitioner's interrogatories 86 and 87. In the belief that this was the position of the court, Petitioner's attorney did not press for answers to these interrogatories at that time, but permitted the trial court to go on to consideration of interrogatories 93 and 94. Again the *Dow* case was raised by Respondent's counsel, and the following colloquy took place:

> MR. AMES [counsel for Loctite]: First of all, I might just quote to you the case that we just pulled out, the Dow Chemical Case.
>
> It says, "Furthermore, proof that CCI"—that was the infringer—"was practicing an expired patent

should have been adduced at the original infringement proceedings".

This is a contempt, a motion to punish for contempt, and CCI the infringer said, "Oh, but we are practicing something in the prior art" and it was not. The Court of Appeals for the Fifth Circuit a half-year ago said, no—.

THE COURT: *Too late now.*

MR. AMES: Too late.

THE COURT: All right. That's another point.

MR. SWEENEY: There was no hearing on any of these points.

THE COURT: *That is just a case of being estopped, you can't raise it now. If we are going to raise something now that can't be decided and ought not to raise it at all, why get into it?* [Emphasis added.]

The trial court thus made it clear that, based on the decision in *Dow,* inquiry into the prior art would not be permitted. It is submitted that the trial court committed a reversible error of law in so ruling.

This error of law was urged upon the court of appeals, but was given short shrift in the court's opinion. Dealing with the trial court's refusal to permit inquiry into the prior art in a brief paragraph, the court of appeals reached the following conclusion (A-48-49):

> Having examined the pertinent portions of the record, we find that Judge Blumenfeld actually placed no restrictions like those now suggested upon Broadview's inquiries. Two of the four interrogatories in question were answered to the expressed satisfaction of Broadview's attorney. The same attorney suggested that rulings on the other two be deferred. His failure thereafter to revive the matter, reflecting its essential triviality, can scarcely ground a claim of error by the district judge.

This refusal by the court of appeals to review this error simply cannot be justified in light of the record taken as a whole, and of the strong public policy, as discussed hereinafter, in favor of securing to the public the right to that which is in the public domain. Taken in the context of the proceedings,[1] and particularly in the context of the court's strong reliance on *Dow,* the expression of satisfaction by Petitioner's counsel can only be taken to mean that he was satisfied that he would not get any answers to his interrogatories in the light of the trial court's reliance on *Dow.* Furthermore, the failure to resume attempts to obtain answers to interrogatories that had been deferred also appeared equally fruitless to Petitioner's counsel, again in view of the trial court's statement that it was "Too late now" for inquiry into and consideration of the prior art. To attach any higher importance to the statements of Petitioner's attorney would be to elevate form over substance in overlooking the serious error of the district court which the court of appeals failed to appreciate.

REASONS FOR GRANTING THE WRIT

A. Sound public policy against piecemeal litigation and splitting causes of action compels a holding that a party should not be permitted to deliberately exclude compositions from an infringement charge and settlement agreement, and thereafter to assert that similar compositions are in contempt of court.

With respect to Respondent's '820 quinone patent, only those Broadview formulations that contained a certain component—the SR-206 monomer—were charged to infringe.

[1] It is best to read the full transcript with respect to the interrogatories involved in order to appreciate the force with which the trial court rejected Petitioner's interrogatories, and the court's complete reliance on *Dow.* For the convenience of this Court, the transcript relating to these interrogatories is set out in full in the Appendix, pages A-13 to A-27.

Those that contained only the SR-210 monomer were not so charged. In reliance on this charge, Petitioner abandoned the use of SR-206, and employed SR-210 exclusively. Thereafter, Respondent successfully asserted that, despite this change, Petitioner's new formulations were infringements of the '820 quinone patent, and therefore in contempt of court.

Although disclaiming any estoppel theory, the court of appeals in effect found that an estoppel applied to Respondent, but that it was limited to Broadview's formulations CP-8 and CP-9, which were not initially charged to infringe *any* of Respondent's patents. In going only half way, and failing to consider Respondent's patents individually, the court of appeals left a serious injustice uncorrected.

The doctrine of estoppel was created to prevent such injustices. It is founded on the public policy that prevents a litigant from taking one position in order to serve his own interests, and later taking a contradictory position to the detriment of his opponent. Petitioner acted in good faith, and in the public interest, by entering into a consent decree, abandoning those formulations which were the subject of the decree, and adopting new formulations which Respondent in effect invited the Petitioner to adopt in its infringement charge. In the contempt proceeding now before this Court, Petitioner is being punished for its conduct in following the trial marked out by the Respondent. Respondent should be estopped from asserting contempt insofar as the '820 quinone patent is concerned, and certiorari is sought to provide this result.

If the result in this litigation is allowed to stand, parties to patent litigation will be at the mercy of the whims of a patentee who decides to charge only certain products with infringement, while excluding others—even though he is aware of the exact formulation of each product. Thereafter, he may return to the court and assert that the prod-

ucts which were excluded from the original infringement charge now place his opponent in contempt. Contempt proceedings are extraordinary proceedings, and can involve harsh penalties in addition to ordinary damages. Such a procedure is an unwarranted denial of the most elemental aspects of justice and fair play, and it is respectfully submitted that this Court should grant certiorari in order to prevent such an injustice.

B. There is a conflict in the circuits as to whether or not the prior art must be considered in determing whether a patent is infringed in a contempt proceeding. This Court should grant certiorari to resolve this conflict, and to guarantee a full hearing to persons charged with contempt, as is consonant with the provisions of the Fifth Amendment of the the Constitution of the United States.

The conflict in the circuits is clear. In *Chemical Cleaning, Inc.* v. *Dow Chem. Co.*, 379 F.2d 294, 297 (5th Cir. 1967), *cert. denied*, 389 U.S. 1040 (1968), an attempt was made to have prior art considered in a contempt proceeding. In response to this attempt, the court stated:

> Furthermore, proof that CCI was practicing an expired patent should have been adduced at the original infringement proceeding. CCI's contentions on this point must be rejected and we conclude that the District Court's finding . . . must be affirmed.

In *Ransburg Electro-Coating Corp.* v. *Ionic Electrostatic Corp.*, 395 F.2d 92, 96 (4th Cir. 1968), *cert. denied*, ——U.S. ——, the court held directly to the contrary, asserting that prior art may be introduced in a contempt proceeding:

> Regardless of the answers to all of these questions arising out of an interpretation of the language of the injunction, consideration must be given to the prior art for it was never intended, of course, that the injunction should prohibit its practice.

It is Petitioner's position that the *Ransburg* case represents the sound view, and indeed the only view that is consonant with the due process clause of the Fifth Amendment. Furthermore, *Ransburg* is the only view that is in accord with the overwhelming weight of public policy that the public is entitled to practice that which is in the public domain, free and clear of any patent monopoly.

In *Westinghouse Elec. & Mfg. Co.* v. *Formica Insulation Co.*, 266 U.S. 342, 350-51 (1924), this Court considered a situation where a party was estopped to deny the validity of a patent because he was an assignor. The assignor claimed, however, that the estoppel did not prevent him from practicing the teachings of the prior art, which is part of the public domain. Agreeing with this contention, this Court stated:

> As between the owner of a patent and the public, the scope of the right of exclusion granted is to be determined in the light of the state of the art at the time of the invention. Can the state of the art be shown in a suit by the assignee of a patent against the assignor for infringement to narrow or qualify the construction of the claims and relieve the assignor from the charge? . . . *We think, however, that the better rule, in view of the peculiar character of patent property, is that the state of the art may be considered. Otherwise the most satisfactory means of measuring the extent of the grant the Government intended and which the assignor assigned would be denied to the court in reaching a just conclusion.* [Emphasis added.]

The *Formica* decision was approved and extended by this Court in *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249, 257 (1945). After approving the *Formica* decision, this Court stated:

> It follows that the patent laws preclude the petitioner assignee from invoking the doctrine of estoppel, as a means of continuing as against respondent, his assignor, the benefit of an expired monopoly, and they

> preclude the assignor from estopping himself from enjoying rights which it is the policy of the patent laws to free from all restrictions.

It is Petitioner's view that the decision of the trial court in the present litigation, which was not overturned by the court of appeals, is totally irreconcilable with the clear statements of this Court in *Formica* and in *Scott,* namely, that the public has a right to practice that which is within the prior art. It is unthinkable that the "form" of a patent proceeding (contempt v. infringement action) can solely determine whether the prior art can be considered. It was never intended in patent infringement actions that the patent claims would be interpreted in the context of the prior art, while in contempt proceedings patent claims would be interpreted in a vacuum. Such a double-standard was never contemplated by the patent system. Further, to interpret the claims broadly in a vacuum (and unlawfully extend the patent monopoly), for the purpose of finding contempt, violates the principles of the patent system and the public interest. It is submitted that this Court should grant certiorari to secure to the public the free use of that which is within the public domain.

CONCLUSION

It is urgent that this Court grant certiorari to establish fundamental principals of justice and fair play in patent contempt proceedings, as well as to resolve a conflict in the circuits, thereby guaranteeing to those operating under injunctions, that fundamental due process of law secured by the United States Constitution. The present case provides a dramatic example of unwarranted unfairness and denial of such due process.

Respectfully submitted,

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HENRY L. BRINKS

March 11, 1969

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

BROADVIEW CHEMICAL CORPORATION vs. LOCTITE CORPORATION et al	CIVIL ACTION NO. 10713

* * *

STIPULATION OF FACTS

It is hereby stipulated by and between the parties to the above entitled causes, acting through their respective counsel, that the facts which are not in dispute are as follows:

1. Loctite Corporation is a Connecticut Corporation having its principal place of business at Newington, Connecticut.

2. Broadview Chemical Corportaion is an Illinois Corportaion having its principal place of business at Broadview, Illinois.

3. George Kaplan and Louis Kaplan are doing business as Kaplan Brothers at Waterbury, Connecticut.

4. Loctite Corporation, which was formerly named American Sealants Company, has been engaged since 1954 in the business of manufacturing and selling sealant compositions.

5. Broadview Chemical Corporation has been engaged since August 1963 in the business of manufacturing and selling sealant compositions.

6. George Kaplan and Louis Kaplan doing business as Kaplan Brothers have purchased Broadview Chemical Corporation products.

7. Loctite Corporation has charged Broadview Chemical Corporation and Kaplan Brothers with in-

fringement of U. S. Patents Nos. 2,895,950; 3,043,820 and 3,046,262.

8. Loctite Corporation is the owner of U. S. Patents Nos. 2,895,950; 3,043,820 and 3,046,262.

9. Broadview Chemical Corportaion knew of the Loctite Corporation products and patents at the time it commenced the manufacture and sale of its own products.

10. Loctite Corporation has charged Broadview Chemical Corporation and Kaplan Brothers with acts of unfair competition in copying Loctite Corporation's packaging and literary styling and descriptions and illustrations.

11. Broadview Chemical Corporation has charged Loctite Corporation with unfair competition in the distribution of a notice to the trade which is attached to the complaint in Civil Action 10713 as Exhibit A. Distribution of this letter by Loctite is admitted.

12. There is no dispute as to the Court's jurisdiction.

13. The claims of Loctite Corporation's patents which are in issue and are charged to be infringed by Broadview Chemical Corporation products and the Broadview Chemical Corporation products from among the formulations given in the answers to Loctite Corporation's interrogatories which are charged to infringe the Loctite Corporation patents and which therefore are in issue are as follows:

CLAIMS	PRODUCT FORMULA NO.
1, 2, 5, 8, 10 and 27 of Patent No. 2,895,950	III, V-XXVIII inclusive and XXX-XXXII inclusive
1, 2, 4 and 11-14 of Patent No. 3,043,820	IV-VI inclusive IX-XII inclusive XVI, XXIV, XXV, XXVI, XXVIII and XXXII

CLAIMS	PRODUCT FORMULA NO.
9 of Patent No. 3,043,820	V, VI, IX-XII inclusive XVI, XXIV, XXV, XXVI, XXVIII and XXXII
1, 2 and 4-6 inclusive of Patent No. 3,046,262	II, III, V and VI

14. Broadview Chemical Corporation marks its sealant products with the trademark Sta-Lok and with the name of Broadview Chemical Corporation.

15. The containers used by both parties are purchased from commercial manufacturers.

James R. Sweeney
Attorneys for Broadview Chemical Corporation and George Kaplan et al

John M. Prutzman
Attorneys for Loctite Corporation

[Caption Omitted]

CONSENT DECREE

This cause coming on to be heard, upon the pleadings and proceedings heretofore had herein, and it being represented to the Court that the parties hereto have settled their differences with respect to the matters in dispute, and upon the sub-joined consent of the parties acting through their attorneys, it is hereby:

ORDERED, ADJUDGED AND DECREED:

1) That this Court has jurisdiction of the parties and of the subject matter hereof;

2) That United States Letters Patent Nos. 2,895,950 issued July 21, 1959; 3,043,820 issued July 10, 1962; and

3,046,262 issued July 24, 1962, were duly and legally issued and are good and valid at law, and Defendant is the sole owner thereof.

3) That Plaintiff has infringed said United States Letters Patent Nos. 2,895,950; 3,043,820 and 3,046,262 by the manufacture and sale of products made under formulations covered by said Letters Patent;

4) That Plaintiff, its officers, directors, employees, agents, successors and assigns be and they are hereby enjoined from infringing said United States Letters Patent Nos. 2,895,950; 3,043,820 and 3,046,262;

5) That Plaintiff's second cause of action and Defendant's second counterclaim be and the same are hereby dismissed with prejudice;

6) That Plaintiff having made a monetary payment to the Defendant, no damages shall be awarded as a result of this action; and

7) That each party pay its own costs and attorneys fees in this action.

M. Joseph Blumenfeld
United States District Judge

Date: Feb. 14, 1967

WE HEREBY CONSENT TO THE ENTRY OF THE ABOVE DECREE:

BROADVIEW CHEMICAL CORPORATION, PLAINTIFF	LOCTITE CORPORATION, DEFENDANT
By: Frank E. Callahan	By: Lindsey, Prutzman & Hayes
By: Robert B. Snow, Jr. 205 Church Street New Haven, Connecticut Its Attorneys	By: John M. Prutzman 100 Constitution Plaza Hartford, Connecticut Its Attorneys

EXHIBIT "A"

(Attached to Memorandum of Fact and Law in Support of Plaintiff's Motion to Modify Consent Decree)

SETTLEMENT AGREEMENT

This Agreement made and entered into the 3rd day of February, 1967, by and between Loctite Corporation, a corporation existing under the laws of the State of Connecticut, and having a principal place of business at 705 North Mountain Road, Newington, Connecticut 06111 (hereinafter called Loctite), and Broadview Chemical Corporation, a corporation existing under the laws of the State of Illinois, and having a principal place of business at 2910 South 18th Avenue, Broadview, Illinois 60155 (hereinafter called Broadview),

WITNESSETH:

WHEREAS, there is now pending in the United States District Court for the District of Connecticut a suit between the parties, Civil Action 10,713, in which Loctite has charged Broadview with infringement of its United States Patent Nos. 2,895,950, 3,043,820 and 3,046,262; and

WHEREAS, there is also pending in the United States District Court for the District of Connecticut a companion suit, Civil Action No. 10,678, between Loctite and George Kaplan and Louis Kaplan, d.b.a. Kaplan Brothers (hereinafter called Kaplan), a customer of Broadview, in which Loctite has charged Kaplan with infringement of said United States Patents; and

WHEREAS, there is pending in the Exchequer Court of Canada a suit between Loctite and Albion Asbestos Packings Limited (hereinafter called Albion), a customer of Broadview, in which Loctite has charged Albion with

infringement of its Canadian Patent Nos. 618,882 and 669,026; and

WHEREAS, there has been no judgment or decree in said suits and the parties hereto are desirous of settling said litigation;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto covenant and agree as follows:

1) Upon execution of this agreement, Broadview shall pay Loctite the sum of Seventy-Five Hundred Dollars ($7500.00).

2) Contemporaneously with the execution of this agreement the parties agree to the settlement of said Civil Actions and said Canadian Action as follows:

a) The parties through their attorneys shall execute and file with the District Court for the District of Connecticut a Consent Decree in said Civil Action No. 10,713 in the form attached hereto as Exhibit 1.

b) The parties through their attorneys shall execute and file with the District Court for the District of Connecticut a Stipulation for Dismissal of said Civil Action 10,678 in the form attached hereto as Exhibit 2.

c) The parties through their attorneys shall execute and file with the Exchequer Court of Canada a Consent to Judgment which in substance is covered by the form attached hereto as Exhibit 3 but which may be modified as to form, if necessary, to meet the requirement of the Court.

3) The parties hereto do further agree to release each other and contemporaneously with the execution hereof do execute and deliver to each other releases in the form attached hereto as Exhibits 4 and 5.

4) Should there be any disagreement between the parties hereto with respect to the propriety of any action by either of the parties that is governed by the Consent Decrees (Exhibits 1, 2 and 3) or this Agreement, it is agreed that the party feeling itself aggrieved will first notify the other party of such grievance, and that said aggrieved party will thereafter negotiate with said other party in good faith for a reasonable time, not less than thirty (30) days after such notice, toward the solution of such grievance, failing which said aggrieved party may make such grievance public, notify customers or dealers of the other party of such grievance and/or bring suit on such grievance.

5) The Broadview formulations referred to in the Consent Decree (Exhibit 1) are:

Formulations II through XXVIII inclusive
Formulations XXX through XXXII inclusive

6) If the Consent Decree is exhibited or published it shall be exhibited or published in its entirety.

7) THIS AGREEMENT shall be binding upon the parties hereto, their successors and assigns.

8) THIS AGREEMENT shall be construed under the laws of the State of Connecticut as applicable to contracts made and to be performed within the State of Connecticut.

LOCTITE CORPORATION

By Robert H. Krieble
Title Pres.

BROADVIEW'S FORMULATIONS

(Broadview's answer to Loctite's interrogatory number 23, submitted in camera)

INGREDIENTS IN POUNDS

Formula No.	SR-210 (Dimeth-acrylate)	SR-206 (Dimeth-acrylate)	DAPON 35	Diisode-cyl-phthallate	Forma-mide	Formamide Salt of saccharin in formamide	Phthali-mide	Succini-mide	Hercules CHP (Cumene Hydroper-oxide)	CADOX TBH (T-Butyl Hydro-peroxide)	Hydro-quinone	Acrylic acid	Dye	Silica
I	17.4	—	10.5	—	.22	—	—	—	—	.8	.02	.1	.01	—
II	24.3	—	8.7	—	.4	.24	—	—	—	.9	.02	.33	.02	—
III	34	—	12	—	1.2	.5	—	—	.38	—	.004	.5	.03	—
IV	14.7	20	5.3	—	.24	—	—	—	—	.88	.02	.4	.02	—
V	15	24	5	—	1.2	.5	—	—	.38	—	.006	.45	.03	—
VI	15	24	5	—	1.2	.5	—	—	.38	—	.006	—	.03	—
VII	33.2	—	11.8	—	2	—	—	—	.16	.77	.02	.45	.024	—
VIII	34	—	12	—	1.65	—	—	—	.38	—	.02	.5	.03	—
IX	17.7	20	6.3	—	1.75	—	—	—	.22	—	.02	.44	.025	—
X	17.7	20	6.3	—	1.75	—	—	—	.22	—	.02	—	.025	—
XI	17.7	26	6.3	—	2	—	—	—	.5	—	.02	.5	.03	—
XII	17.7	26	6.3	—	2	—	—	—	.5	—	.02	—	.03	—
XIII	16.2	—	5.8	—	—	—	.11	—	.33	.33	.02	.22	.01	.33
XIV	37.5	—	12.5	—	2.0	—	—	—	.44	—	.02	.5	.03	1.0
XV	37.5	—	12.5	—	2.0	—	—	—	.44	—	.02	.5	.03	—
XVI	17.5	1.3	5.8	3.3	—	—	.13	—	.11	.33	.02	.33	.015	—
XVII	32.4	—	11.6	3.1	1.75	—	—	—	.66	—	.02	.44	.02	—
XVIII	37.5	—	12.5	5.0	2.0	—	—	—	.44	—	.02	.55	.03	—
XIX	37.5	—	12.5	5.0	2.0	—	—	—	.44	—	.02	—	.03	—
XX	14.7	—	5.3	6	.44	—	.1	—	.22	.22	.02	.25	.01	.6
XXI	27.3	—	9.7	7	.9	—	.22	—	.22	.22	.02	.44	.015	—
XXII	30	—	10	6.2	1.9	—	—	—	.38	—	.02	.38	.03	—
XXIII	30	—	10	6.2	1.9	—	—	—	.38	—	.02	—	.03	—
XXIV	13.3	1.9	4.7	8	.9	—	—	.18	.44	.44	.02	.45	.02	—
XXV	13	21	4	6.8	2.0	—	—	—	.44	—	.02	.53	.03	—
XXVI	4.9	6.6	1.7	8.7	.53	—	.032	—	.175	.175	.02	.23	.008	.165
XXVII	28	—	9	8.3	2.0	—	—	—	.4	—	.02	.5	.03	—
XXVIII	12	20	6	8.3	2.0	—	—	—	.4	—	.02	.5	.03	—
XXIX	26.9	—	4.6	10	1.3	—	—	—	—	.9	.02	.45	.03	1.2
XXX	22.5	—	7.5	11	2.0	—	—	—	.4	—	.02	.4	.03	1.0
XXXI	27.3	—	9.7	8.3	2.1	—	—	—	.44	—	.02	—	.9	—
XXXII	11	20	4	8.3	2.1	—	—	—	.42	—	.02	—	.7	—

[Caption Omitted]

DEFENDANT'S OBJECTIONS TO CERTAIN OF PLAINTIFF'S INTERROGATORIES

Defendant, Loctite Corporation, by its counsel, objects to Defendant's Interrogatories Nos. 86, 87, 90, and 92 to 102, inclusive, in accordance with Rule 33, F. R. Civ. P. The interrogatories and reasons for objecting to them are set forth hereinbelow:

Interrogatories Nos. 86 and 87:

86a. Referring to commercial sealants sold by the defendant during the period between early 1955 and October 14, 1959, did any of those sealants contain a monomer of the formula of any of the claims of U.S. patent No. 3,043,820 in combination with hydroquinone?

86b. If the answer to Interrogatory No. 86a is in the affirmative, what is the identity of each of such monomer, and the hydroquinone by chemical name, trade name, and source, and how much hydroquinone was present in the sealant composition based on such monomer?

86c. If the answer to Interrogatory No. 86a is in the negative, relating to sealant compositions sold by defendant during said period and containing a monomer of said formula, what stabilizer, inhibitor and/or retarder ingredient was present and in what amount in each such sealant composition.

86d. If the answer to Interrogatory No. 86a is in the negative, what were the ingredients and the amounts of each ingredient included in each sealant composition sold by defendant during said period.

86e. If the answer to Interrogatory No. 86a is in the

affirmative, what was the date of mixing and the last date of sale of each such sealant composition?

86f. If the answer to Interrogatory No. 86a is in the negative, was hydroquinone and/or any ether of hydroquinone ever included in a sealant composition containing said monomer and sold by the defendant during said period.

86g. If the answer to Interrogatory 86a is in the affirmative, are there any documents in the defendant's possession or under its control relating to the composition of such commercial sealants?

86h. If the answer to Interrogatory No. 86g is in the affirmative, what is the identification of each of the documents sufficient for a Motion to Produce under Rule 34 FRCP? If the defendant is willing to allow plaintiff by its counsel to inspect and make copies of the documents, it is not necessary to identify them in response to this interrogatory.

86i. If the answer to Interrogatory No. 86a above is in the affirmative, was a commercial hydroquinone-inhibited monomer used as an ingredient in mixing the sealant?

86j. If the answer to Interrogatory No. 86i above is in the affirmative, what was the date of receipt of each quantity of such hydroquinone-inhibited monomer and what was the date of mixing of each commercial sealant utilizing the hydroquinone-inhibited monomer?

86k. If the answer to Interrogatory No. 86a above is unknown, what is the identity of each monomer of said formula used in the manufacture of commercial sealants sold by the defendant between early 1955 and October 14, 1959, by chemical name, trade name, and source?

87a. Referring to commercial sealants sold by the defendant during the period between early 1955 and October

14, 1959, did any of the sealants contain a monomer of the formula of any of the claims of U.S. patent No. 3,043,820 in combination with hydroquinone and a hydroperoxide?

87b. If the answer to Interrogatory No. 87a is in the affirmative, what is the identity of each of such monomer, hydroquinone and hydroperoxide by chemical name, trade name, and source, and how much hydroquinone and hydroperoxide was present in the sealant composition based on such monomer?

87c. If the answer to Interrogatory No. 87a is in the negative, what were the ingredients and amounts of each ingredient included in each sealant composition sold by defendant during said period?

87d. If the answer to Interrogatory No. 87a is in the affirmative, what was the date of mixing and the last date of sale of each batch of sealant composition?

87e. If the answer to Interrogatory 87a is in the affirmative, are there any documents in defendant's possession or under its control relating to the composition of such commercial sealants?

87f. If the answer to Interrogatory No. 87e is in the affirmative, what is the identification of each of the documents sufficient for a Motion to Produce under Rule 34 FRCP? If defendant is willing to allow plaintiff by its counsel to inspect and make copies of the documents, it is not necessary to identify them in response to this interrogatory.

Objection

Both interrogatories are objected to as irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The interrogatories refer to sealants sold by defendant between 1955 and October 14, 1959, the latter date being one year prior to the filing date of U. S.

Patent No. 3,043,820, the infringement of which is in issue. No reasonable basis is apparent why information concerning defendant's sealants sold long ago is relevant to the issue of plaintiff's infringement within the past year. The validity of U.S. Patent No. 3,043,820 is not in issue here, since the Consent Decree established the validity of that patent between the parties hereto.

* * *

Interrogatories Nos. 93 and 94

93. Referring to paragraph 3 of the Motion to Punish for Contempt, does the defendant charge that quinone in a sealant is infringing where all such quinone results solely from the presence of hydroquinone in hydroquinone-inhibited Sartomer Resins SR-210 at ambient temperatures?

94. Referring to paragraph 3 of the Motion to Punish for Contempt, does the defendant charge that quinone in a sealant is infringing where all such quinone results solely from the presence of hydroquinone in a mixture consisting solely of hydroquinone-inhibited Sartomer Resins' SR-210, 200 ppm hydroquinone and 0.5 to 2.0 weight percent t-butyl hydroperoxide?

Objections

Defendant objects to these interrogatories because they are based on a hypothetical situation not supported by the record and call for a legal conclusion. Plaintiff assumes in these interrogatories that quinone results solely from hydroquinone, which is an unsupported statement. Defendant should not be forced to answer under oath questions based on pure speculation.

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[Caption Omitted]

TRANSCRIPT OF PROCEEDINGS

(January 22, 1968)

* * *

MR. AMES:

* * *

First, interrogatory 86 and 87. 86(a) says referring to commercial sealing sold by Defendant, that is Loctite, during this period from '55 to '59. Did any of those sealings contain a monomer of the formula of any of the claims of U.S. patent No. 820 patent in combination with Hydroquinone.

[9] Now, Your Honor, the issue before us today—and if we don't finish all the experimentation at some future date is—whether the Sta-Lok 500 and Sta-Lok 800 contain Quinone.

For the purposes of this motion if these compounds, these compositions do not contain Quinone, the motion will not be pressed.

THE COURT: In other words you are saying that this interrogatory has nothing to do with the case?

MR. AMES: It has nothing to do with the case.

In reading what Broadview says, it goes back to '59 and before.

Now, the patent in suit was filed on October 14, 1960 and consequently October 14, 1959 and all the dates before would tend to invalidate the patent. You have a statutory bar towards filing on any invention that has been in public use or on sale more than one year before the filing date.

THE COURT: So what has that got to do with it?

MR. AMES: The issue of validity has already been determined by this Court, and in that consent decree, Your

Honor, the 820 patent was held valid and infringed. That validity is res judicata before the parties.

THE COURT: Just a moment. I don't know that that decree amounted to a declaration that the patent is valid. [10] I am very reluctant to decree validity on the basis of a stipulation.

I don't remember. I may have determined that they were not contesting the validity and did concede that there was an infringement.

Now, I would approve a stipulation that they infringed, but I don't know that I would approve a stipulation of validity.

MR. AMES: Actually, you can't infringe an invalid patent, because it is just something that isn't there.

THE COURT: I understand. Well, at any rate, regardless of my hesitancy at this point, it is your point that as between these parties at least validity—.

MR. AMES: That's right. Only between these parties.

THE COURT: —can no longer be an issue.

MR. AMES: Yes, Your Honor. I might call your attention to paragraph 2 of the Consent Decree which says that—and includes the 820 patent—duly and legally issued and good and valid at law.

THE COURT: That is as between the parties.

MR. AMES: Yes, only between the parties.

[11] So while these interrogatories 86 and 87 —.

THE COURT: You say they could have reference only to the present claim of invalidity based upon some prior public use?

MR. AMES: That is the most apparent reason.

Now, in its memorandum that it filed and that I saw last night, Broadview says something a little different. It says that that can show—the answer to interrogatories 86 and 87 can show what prior art was, and that Broadview has a right to come into court now and say, "We are fol-

lowing the prior art, therefore, we do not infringe," and that this is the burden. I don't think they contest the validity, but they say validity isn't all.

THE COURT: Just forget the stipulation.

MR. AMES: So that this deals with infringement. And we didn't say that everything we make in the future is going to infringe these patents which is perfectly right.

So Broadview, as I understand what they want to say, that they were following the prior art. And they do cite a case.

It is a 1928 Circuit Case. That is the only case that they have cited in their memorandum and I would like to [12] call Your Honor's attention to a much more recent case which is Chemical Cleaning, Inc. versus the Dow Chemical Company. My citation on this may not be of much help, because it is in the U.S. Patent Quarterly. This should be in Fed. 2nd, it's a Court of Appeals for the Fifth Circuit.

THE COURT: Where will I find it?

MR. AMES: Well, I shall have someone shepardize it.

THE COURT: It is in the Patent Quarterly?

MR. AMES: Yes. 155 U. S. P. Q. 49. If your Honor cares I will be happy to leave this. It is July 31, 1967 which is the reason that we probably don't have the Fed. 2nd citation.

If Your Honor cares I will be happy to leave this advance sheet with you as a gift.

THE COURT: Well, I would appreciate it. Are you aware of the case, Mr. Sweeney?

MR. SWEENEY: I am not sure, Your Honor. This is a pretty recent case.

However, I might shorten this whole problem. Our whole reason for asking this question and some other questions is that the law is that you are entitled to use what is in the public domain. No one can have a patent or monopoly [13] on what is in the public domain.

So we are merely trying to ascertain what is in the public domain. There are several areas in the public domain we are talking about.

If we can agree here that Hydroquinone, which is this other material Your Honor mentioned, is not covered by the claims of this patent, or the use of Hydroquinone is not covered, then there is no need for us to proceed with these interrogatories. And I suspect, from what Mr. Ames said, that he may be willing to admit that.

MR. AMES: I am willing to admit—I mean the burden is thrust upon me that if there is no quinone used—I shouldn't say "used"—if there is no quinone in what they sell in the Sta-Lok 500 and in 800, or whatever products they sell, then there is no infringement of the 820 patent.

MR. STAPLETON: The patent specifically excludes on its face Hydroquinone as being included in the claim, in the claimed monopoly. All I want to establish is that since we use Hydroquinone, that is our position, that our use of Hydroquinone in this combination does not infringe the claim. That is all I am trying to show by these interrogatories.

[14] MR. AMES: One of my problems is this, Your Honor: Counsel says he uses Hydroquinone. I honestly think this is the basis of the whole difficulty. Broadviews says it uses Hydroquinone. We say—.

THE COURT: What do you mean by that? You put Hydroquinone into your product?

MR. SWEENEY: That's right. We do not use Quinone, we use Hydroquinone.

THE COURT: But you don't put Quinone in, you put Hydroquinone in.

MR. SWEENEY: That's right, Your Honor.

THE COURT: I suppose your claim is going to be that he put Hydroquinone and because of something he got in it it becomes Quinone?

MR. AMES: We have no idea how the Quinone gets in there but we do know that we test their products and get a perfect test for Quinone. Whether it is an impurity, a reaction, I don't think the burden is on us. These are product claims, Quinone is an element, we find Quinone.

MR. SWEENEY: The point is, Your Honor, that the prior art, the material in the public domain shows the use of Hydroquinone.

[15] Now, if putting Hydroquinone into this composition in some mysterious way result in Quinone—.

THE COURT: Well, chemistry is not a mystery, at least not to me.

MR. SWEENEY: My point is that if it happens now it would have happened in the prior art and that, therefore, no matter how it happens it is old, and all I want to establish is that this patent does not cover the use of Hydroquinone in the composition.

Now, these questions are designed to elicit evidence as to what the Defendant did in 1959 and before, which is part of public domain.

THE COURT: Well, as I understand Mr. Ames, he doesn't say that you are infringing by using Hydroquinone. He says you are infringing because the product contains Quinone.

MR. SWEENEY: That's right, Your Honor.

THE COURT: There is no factual dispute about that.

MR. AMES: No.

MR. SWEENEY: The guide line, if you will, for the proof in this particular motion, I would merely like to establish that Hydroquinone, the use of Hydroquinone is not covered. That is aside from this question of whether [16] there is Quinone there or not. The use of Hydroquinone isn't covered, that's all I would like to establish.

MR. AMES: All I can say is that this is not a use patent, it's a patent on the product, and that if he uses ten

different items we are sympathetic or unsympathetic, and all we care about is whether he has Quinone in the final product.

MR. SWEENEY: The patent covers a composition of a particular monomer, a particular Hydroperoxide and Quinone, that's what the claim covers, that's the monopolized invention.

I merely want to establish that the patent doesn't cover the monomer, the Hydroperoxide and Hydroquinone as a composition. That is all I am trying to establish by these interrogatories.

MR. AMES: Perhaps I am being overly technical. But the question is whether it covers what Mr. Sweeney says to the exclusion or inclusion of Quinone. If there is Quinone and Hydroquinone, then we assert that it clearly falls within the claim.

MR. SWEENEY: I think maybe I can satisfy you then. My point is that if we used these three that I have mentioned monomer, Hydroperoxide and Hydroquinone without any Quinone, that there is no infringement.

[17] MR. AMES: Again Mr. Sweeney has said "use." What he puts in is no concern to us, although we are sympathetic. It is what he gets out, what product he sells, because this is a product patent.

THE COURT: Well, I understand the issue that is being raised, and I also take it for granted now that this interrogatory would be answered—well, it wouldn't need to be asked if you concede that your only claim is limited to objection to the presence of Quinone in the product.

MR. AMES: Yes, Your Honor. The claim is so limited. If there is only Hydroquinone or only anything else, but no Quinone, we do not claim it.

THE COURT: You do not claim that they have no right to use Hydroquinone?

MR. AMES: Not so far as this patent is concerned.

To just quote very briefly, Mr. Sweeney may be interested in this recent case, it says—.

THE COURT: Before we get to that, I assume that bears upon how an application of patent law, but on this factual issue raised by the objection to the interrogatories, you are satisfied, are you—these are your interrogatories?

MR. SWEENEY: That's right, Your Honor.

[18] THE COURT: And you are satisfied now with this answer of Mr. Ames?

MR. SWEENEY: I am satisfied.

THE COURT: Now, that takes care of what, 86 and 87?

MR. SWEENEY: We may be able to take care of some others.

THE COURT: Good. I thought I gave you fellows a recess and that is when I expected these things to be taken care of.

MR. SWEENEY: Interrogatory No. 90 we had asked whether Hydroquinone is the equivalent of Quinone within the meaning of the patent. And I presume that from your answer that you agreed that Hydroquinone is not the equivalent of Quinone within the meaning of the patent.

MR. AMES: I agree. This is objected to, frankly, because "equivalent" is a legal term. As far as I am concerned the doctrine of equivalence is the foremost points of argument in most pieces of patent litigation, and we objected to answering a legal question of that nature.

MR. SWEENEY: I will pass No. 92 because we can't settle that with this particular agreement.

[19] Going to Nos. 93 and 94—.

THE COURT: All right. That takes care of 90?

MR. SWEENEY: That's right. Nos. 93 and 94 asks whether Loctite charges compositions in the public domain with infringement. I presume from what we have said here that you do not charge compositions in the public domain which contain Hydroquinone with infringement.

MR. AMES: We would never, as a matter of course, if we wish to sustain the validity of a patent charge that anything in the public domain infringed, because of the doctrine that that which anticipates if earlier infringes if later.

We would never say that something that anybody can use infringes their patent.

MR. SWEENEY: These interrogatories have asked whether or not they charged the compositions containing Hydroquinone was an infringement of the patent, and I presume that you do not so charge.

MR. AMES: To which interrogatory are you referring?

THE COURT: 93 and 94.

MR. SWEENEY: 93 and 94.

MR. AMES: Well, this 93 is completely different [20] from what has been stated.

It says, "Where all such Quinone results solely from the presence of Hydroquinone and Hydroquinone inhibiters" —this is all theoretical. Where the Quinone comes from, there is no proof that it comes from the Hydroquinone or comes from any place.

MR. SWEENEY: The point here is, Your Honor, that the prior art, the public domain has used Hydroquinone in a composition like that covered by the Loctite patent. In other words, this is in the prior art, the mixing or the compounding of the monomer, the Hydroperoxide, and the peroxide and Hydroquinone—.

THE COURT: He already said he doesn't challenge your right to use Hydroquinone. He only challenges your right to have a composition which contains Quinone.

MR. SWEENEY: Now I want to know by this interrogatory whether they charge a composition which is made using the Hydroquinone. For some reason they think there is Quinone in it as a result of having compounded it, in other words, having put together what was old, if that putting together, in some way that I don't understand,

results in the production of Quinone do they charge that to be an infringement of the patent? Because if they do [21] then what they are charging to be an infringement of the patent today would have been old in the prior art. Chemicals can change.

THE COURT: Well, I understand your argument. I'm not sure it is so, you know. You are simplifying it for purposes of saying that this is what resulted in the prior art.

MR. SWEENEY: That's right.

THE COURT: Well, I don't know that that is so. And you told me that you don't know.

MR. SWEENEY: I'm being honest, Your Honor. I don't know.

I am trying to look for the basis of their charge in this contempt proceeding.

THE COURT: But now you want to know whether if it is so, they claim you have no right to do it.

MR. SWEENEY: That's right. That's all I would like to know. I think he can answer it yes or no.

THE COURT: I don't know how he can. You say nobody knows what happens when you put these things together. But he can still say whether he claims.

MR. SWEENEY: That's right. That is all I am asking.

THE COURT: What do you claim, Mr. Ames?

[22] MR. AMES: We claim if it has Quinone in it, it infringes.

THE COURT: No matter how it happens?

MR. AMES: Right.

THE COURT: Well, suppose they say if it has Quinone in it, the only thing we put into our product is what is well known in the prior art and this results in Quinone. Then they say, "Well, you don't have much of a leg to stand on any more."

MR. AMES: First of all, I might just quote to you the case that we just pulled out, the Dow Chemical Case.

It says, "Furthermore, proof that CCI"—that was the infringer—"was practicing an expired patent should have been adduced at the original infringement proceedings".

This is a contempt, a motion to punish for contempt, and CCI the infringer, said, "Oh, but we are practicing something in the prior art" and it was not. The Court of Appeals for the Fifth Circuit a half-year ago said, no—.

THE COURT: Too late now.

MR. AMES: Too late.

THE COURT: All right. That's another point.

MR. SWEENEY: There was no hearing on any of these [23] points.

THE COURT: That is just a case of being estopped, you can't raise it now. If we are going to raise something now that can't be decided and ought not to raise it at all, why get into it?

MR. SWEENEY: Your Honor, during the proceedings in this case, before the entry of the decree, in answer to the Defendants' interrogatories we gave them all of the formulations that we were using to make commercial products. The were filed in camera, they are here in court. I don't believe they are in this building. I am informed they may be in New Haven.

THE COURT: Probably. There is better security there, a bigger vault, or something.

MR. SWEENEY: At any rate, we have copies of that and I doubt if there will be any problem.

They charged thirty of the thirty-two compositions that we gave them were being an infringement of these three patents.

In preparation for the trial which didn't take place, we stipulated certain evidence under the Court's Order, and one of the things we stipulated was the components of the compositions that were charged to infringe. There was no [24] charge made as to these two compositions. Those

two compositions used Quinone [*sic:* hydroquinone]* and are substantially the same thing as what we are using today.

I don't think, therefore, that we should be estopped from claiming that we were doing what was old then as to those compositions, because we are still doing it.

There is no judgment, no estoppel, there is no rule against us continuing to use those two compositions.

So that it can be said—.

THE COURT: I really don't know, I'm not sure that I paid very much attention to everything that was contained in that stipulation.

MR. SWEENEY: I don't claim that you did, Your Honor.

THE COURT: Was it in the stipulation specifically?

MR. SWEENEY: Yes, Your Honor.

THE COURT: That you had the right to continue to use—.

MR. SWEENEY: No, they don't charge them to infringe, and I don't think—.

THE COURT: Now you say that all you are doing is using those?

[25] MR. SWEENEY: Right. With substantially minor variations we are using the same formulation.

Therefore there was no judgment as to those formulations, there was no determination that they infringed and, therefore, I don't see how this case is pertinent.

We were following the prior art in making those formulations. The Defendant agreed, the Defendant didn't even charge—.

MR. AMES: I am informed—I was not counselor at that time—I am informed that we didn't charge them, because we didn't find any on the market.

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* A number of obvious, typographical errors appear in the original transcript. To aid the Court, these errors have been pointed out, using the word "*sic*" followed by the *correct* word.

MR. SWEENEY: We gave them the formulations, Your Honor, and they charge thirty out of thirty-two to infringe.

MR. AMES: This doesn't mean that we agreed that two are not part—.

THE COURT: I suppose what they agreed not to do is the principal proposition you start with here, not what you charge them with, but what they agreed not to do.

MR. SWEENEY: We agreed not to make formulations under the thirty formulas.

THE COURT: I don't know whether that is what you agreed or whether you agreed that none of your products [26] would contain Quinone. Are we concerned here with whether they are using one of the thirty formulas that they decided, agreed not to, is that the way it comes up?

MR. AMES: I have here what I think are thirty-two formulas including the two—.

THE COURT: The question is what did they agree that they would not do, that they would not use thirty formulas?

MR. AMES: No. I can just go by the wording of it. Of course, there is Your Honor's decree.

After it says that the patents in suit are good and valid at law, "that Plaintiff has infringed said United States letters patent"—those three patents "by the manufacture and sale of products made under formulations covered by said letters patent, that they are enjoined from infringing."

In Your Honor's Order there is no mention of—.

THE COURT: Thirty that they will not use.

MR. AMES: Thirty. Right. Then there is a settlement agreement.

MR. SWEENEY: Which does clarify it clearly.

THE COURT: I would hope there is something there to clarify.

MR. SWEENEY: The settlement agreement in para- [27] graph 5 says the Broadview formulation as referred

to in the Consent Decree Exhibit 1 are, and it lists them, 2 through 28 and 30 through 32.

Nos. 1 and 29 are not included, they are the two that were not charged, they are the two formulations on which we are presently basing all production.

MR. AMES: I would have to disagree with that. I have the formula for the thirty formulations, and I don't see Quinone in any of them. Maybe I just haven't read it properly.

Do you find Quinone in any of these?

MR. SWEENEY: Well, there is no Quinone in any of them. That doesn't mean that we can't settle the case and agree that we won't make certain formulations, which is what we did.

MR. AMES: Where is it in writing that you settled the case on this basis?

MR. SWEENEY: I think the settlement agreement is pretty clear.

MR. AMES: There are thirty-two formulations of which thirty were evidently included in the Consent Decree. None of the thirty-two formulations, including the two errant ones mentions Quinone, it all says Hydroquinone.

MR. SWEENEY: That's correct. We never used [28] Quinone.

THE COURT: Well, we still get back to the same basis, first is there Quinone, and second—.

MR. AMES: However one looks at it, if there is Quinone in what they sell now, and they admit to using the two other ingredients, then I can't see how they can say they don't infringe.

MR. SWEENEY: Then, Your Honor, I think I would have to persist that these interrogatories be answered. These are 93 and 94 and apparently we can't agree on anything here.

MR. AMES: I would cite the Dow Chemical Case.

THE COURT: "Does the Defendant charge." I suppose it means do you claim that Quinone in a sealant is infringing where it all results solely from the presence of Hydroquinone in a mixture consisting solely of Hydroquinone—inhibited sartomer—.

MR. AMES: No. 1, that is theoretical. I honestly don't feel that we should have to answer some kind of a theoretical question. He can ask a thousand questions.

THE COURT: Well, suppose that that is so. Do you claim he can't do that if he buys this sartomer resins or an inhibiter, that they can't use it because it results in Quinone?

MR. AMES: I would say No. 1—and I hope it doesn't [29] look as though I am trying to evade something—I may be trying to but in the formulations that Mr. Sweeney has been kind enough to give us in camera of his present formulations, he adds Quinone—he adds Hydroquinone, consequently all the Quinone couldn't result solely from the presence of Hydroquinone in the Hydroquinone inhibited Sartomer resins because he adds extra Hydroquinone.

THE COURT: Well, who does he get the Sartomer resins from?

MR. AMES: Sartomer. That's a trade name.

THE COURT: Suppose they started to make a BSR210, and because it was B they added a little more Hydroquinone at the plant, then what?

MR. AMES: Who knows what.

THE COURT: I mean just because they have got some in there, not enough, but suppose it would tolerate a little more and to accommodate Broadview they would say we will give you a special BSR210—.

MR. SWEENEY: All I want to know is whether or not they would charge that composition with infringement. I wish I knew what composition would, how much—.

THE COURT: That which contains Quinone, or at least results in a product that contains Quinone.

[30] MR. AMES: I should point out again that since Broadview adds it Hydroquinone independent of any Hydroquinone in the Sartomer resins, it is impossible—that this can not possibly happen, because Broadview today adds extra Hydroquinone.

THE COURT: Then you push him back to the other ground he asserts, which is if they added Hydroquinone—.

MR. AMES: But how much? We don't know how much Hydroquinone you have in order to give Quinone, if it does give Quinone, and what conditions Hydroquinone can oxidize, it appears, to Quinone. But under what conditions we don't know.

THE COURT: He says at ambient temperatures.

You mean in the presence of what—.

MR. AMES: Of what catalyst or what oxidizing agent.

MR. SWEENEY: If this happens, then it would have happened with the prior art composition, and all I want to know is whether or not they charged a composition which contains Quinone regardless of how it got there.

THE COURT: Well, that is a little different, isn't it? We don't know what the prior compositions were. You have said that you got some little modifications in here and they may not be the prior art that you are practicing.

[31] What you do in the prior art doesn't seem to justify it either at this point.

MR. SWEENEY: Would you prefer, Your Honor, to reserve ruling on this particular set of interrogatories until you have heard the evidence?

THE COURT: I prefer not to rule at all.

MR. SWEENEY: I can't say that I blame you.

THE COURT: All right. Let's pass it then. That will be deferred.

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UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

BROADVIEW CHEMICAL CORPORATION
vs.
LOCTITE CORPORATION
Civil No. 10,713

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RULING ON MOTION TO PUNISH FOR CONTEMPT

On June 1, 1964, Broadview Chemical Corporation (hereinafter Broadview), an Illinois corporation having its principal place of business in Illinois, filed an action against Loctite Corporation (hereinafter Loctite), a Connecticut corporation having its principal place of business in Connecticut, seeking a declaratory judgment as to the validity of certain Loctite patents. Loctite, which had previously complained to Broadview that the latter's "Sta-Lok" products were infringing Loctite's patents on anaerobic curing sealant compositions, organic adhesives which bond metal to metal in the absence of air, counterclaimed for infringement.

On February 14, 1967, the parties consented to the entry of a decree which held that United States Letters Patent Nos. 2,895,950 (the '950 patent), 3,043,820 (the '820 patent), and 3,046,262 (the '262 patent) were valid, that the defendant was their sole owner, that the plaintiff had infringed them, and that it be enjoined from any future infringement of those patents.

Loctite now charges Broadview with contempt for violation of the injunction decreed. In its original motion filed September 21, 1967, Loctite alleged that Broadview's then

products "Sta-Lok 800" and "Sta-Lok 500" directly infringed the '820 patent in that they contained quinone, one of the basic ingredients of the sealant compositions covered by the '820 patent. The plaintiff, although it denies the presence of quinone in its products, does admit that the deliberate use of quinone would infringe the defendant's patent. It claims, however, that it would not be liable if the presence of quinone in its products results from a chemical reaction among other ingredients in its products.

After extensive discovery by Loctite, a supplemental motion to punish for contempt was filed on April 2, 1968, in which Loctite alleged several additional bases for a finding of contempt. First, Broadview allegedly reshipped or resold products prohibited from sale by the consent decree, which had been returned to it for credit. This merchandise was in the hands of Broadview's distributors at the time the decree was filed.

Second, Loctite claims that Broadview's present formulations, newly designated as CP-1 through CP-9 since the decree, are not essentially different from plaintiff's predecree formulations which it had admitted were infringing. Specifically, Broadview has substituted one base monomer, Sartomer Resin SR-210, for another—Sartomer Resin SR-206. Loctite claims that this substitution effected no substantial chemical difference in the composition, only a slight difference in the final strength of the adhesive bond.

Third, Loctite states that Broadview's post-decree CP-1 through CP-7 formulations have no functionally different effect than the formulations protected by the '262 patent. The '262 patent protects sulfimide sealant compositions *free* from amines (the absence of the normally present amines contributing to the length of the shelf-life of the product). Loctite contends that the addition of minute quantities of amines in plaintiff's sulfimide sealants which

have no significant effect on the shelf-life does not render the plaintiff's product non-infringing.

An extensive hearing was begun on January 22, 1968, and was continued to permit further discovery and to assure the availability of certain witnesses at the resumption of the hearing. To accommodate counsel for both sides, the hearing was not resumed until May 28, 1968.

The Contempt Motions

In a civil contempt proceeding for violation of provisions of a consent decree, a court is restricted in its examination and decision to that conduct which is clearly enjoined by the decree.[1]

> "They [consent decrees] are to be read within their four corners, and especially so because they represent the agreement of the parties, and not the independent examination of the subject-matter by the court. They are binding only to the extent to which they go. Neither court nor party can write in them what is not there, and thus change what was agreed upon between the parties." *American Radium Co.* v. *Hipp, Didisheim Co.*, 279 F. 601, 603 (S.D. N.Y. 1921), *aff'd*, 279 F. 1016 (2d Cir. 1922).

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1. The consent decree states in part:

"2) That United States Letters Patent Nos. 2,895,950 issued July 21, 1959; 3,043,820 issued July 10, 1962; and 3,046,262 issued July 24, 1962, were duly and legally issued and are good and valid at law, and Defendant is the sole owner thereof.

"3) That Plaintiff has infringed said United States Letters Patent Nos. 2,895,950; 3,043,820 and 3,046,262 by the manufacture and sale of products made under formulations covered by said Letters Patent;

"4) That Plaintiff, its officers, directors, employees, agents, successors and assigns be and they are hereby enjoined from infringing said United States Letters Patent Nos. 2,895,950; 3,043,820 and 3,046,262;"

Hart Schaffner & Marx v. *Alexander's Dep't Stores, Inc.*, 341 F.2d 101 (2d Cir. 1965). *Cf. Artvale, Inc.* v. *Rugby Fabrics Corp.*, 303 F.2d 283 (2d Cir. 1962).

There must be "clear and convincing" proof of a violation of a court order. *Hart Schaffner & Marx* v. *Alexander's Dep't Stores, Inc.*, 341 F.2d 101; *Stringfellow* v. *Haines*, 309 F.2d 910 (2d Cir. 1962). This does not mean, however, that the movant must prove that violation was willful. "Wilfulness is not an essential element in civil contempt." *Metallizing Eng. Co.* v. *B. Simon, Inc.*, 64 F.Supp. 848, 849 (W.D. N.Y. 1945). The question is simply whether the court's order has been complied with. *United States* v. *Ross*, 243 F.Supp. 496, 499 (S.D. N.Y. 1965).

The validity of the three Loctite patents is not in issue, for the consent decree, which states that these patents are valid, has rendered this res judicata for purposes of this civil contempt motion. *Hopp Press, Inc.* v. *Joseph Freeman & Co.*, 323 F.2d 636 (2d Cir. 1963); *Siebring* v. *Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965). *Cf. Chas. Pfizer & Co.* v. *Davis-Edwards Pharmacal Corp.*, 385 F.2d 533 (2d Cir. 1967). Since the patents are valid as between these parties, the question presented is whether the plaintiff has again infringed them.

With these factors in mind, I shall examine the four claims raised by Loctite and their relationship to the conduct which was permanently enjoined by the consent decree.

Resale or Reshipment

In Broadview's answers to Loctite's interrogatories nos. 108 through 111, it appears that Broadview permitted its distributors to ship admittedly infringing "Sta-Lok" products which had been produced and sold prior to the consent decree to other distributors after February 14, 1967. The testimony of James D. Polis, president of Broadview, who

was called as a witness by Loctite, verified that these transfers were made. There is no merit to the argument that because the form of the transfer of offending products was from one distributor to another, with the transferor receiving a credit from Broadview and the transferee being debited by Broadview, there was not a sale by Broadview.

Also, the argument that these were transfers without consideration is as specious as the argument that they were not sales by Broadview. These transfers were not without economic benefit to Broadview. Its distributors had been fearful of selling infringing products and had returned the "Sta-Lok" products to Broadview which the latter had been enjoined from marketing. These transfers avoided this loss.

Furthermore, Polis acknowledge that some products originally sold before February 14, 1967, but returned to Broadview after that date, were resold directly to other distributors. Specifically, Polis stated that Haskel Engineering & Supply Company returned some of the "Sta-Lok" for credit and this merchandise was subsequently sold to some one else.

Broadview argues that there is insufficient proof that the products reshipped were both produced from those formulations held to be infringing in the consent decree and shipped prior to the decree. From the explanation in interrogatory no. 108 and from Polis' testimony relating to the "Sta-Lok" products transferred from one distributor to another, it is clear that these products sold prior to February 14, 1967, included products produced from those formulations which Broadview clearly admits infringe.[2]

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2. The settlement agreement underlying the consent decree states in § 5 that the formulations referred to in the consent decree and found to have been infringed were Formulations II through XXVIII and XXX through XXXII. Thus, Broadview admits that 30 of its 32 formulations were specifically found infringing. The status of the other two formulations will be discussed subsequently.

The consent decree states that formulations manufactured and sold before February 14, 1967, infringed the '950, '820 and '262 patents. Their resale or profitable reshipment by Broadview or at Broadview's request after the decree infringed those patents in violation of the injunction in this consent decree. See *Western Lighting Corp.* v. *Smoot-Holman Co.*, 352 F.2d 1019 (9th Cir. 1965).

Infringement Through Manufacture and Sale of Equivalent Products

The doctrine of "equivalents" is applicable to test infringement of a patent valid between the parties to a consent decree. As originally developed, the doctrine of equivalents was founded on the theory that "if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form, or shape." *Machine Co.* v. *Murphy*, 97 U.S. 120, 125 (1877). As pointed out in *Craver Tank & Mfg. Co.* v. *Linda Air Prods. Co.*, 339 U.S. 605, 609 (1950): "Subsequently, however, the same principles were also applied to compositions, where there was equivalence between chemical ingredients."

Thus, a composition infringes if it has incorporated an unimportant variation but performs "substantially the same function in substantially the same way to obtain the same result." *Sanitary Refrigerator Co.* v. *Winters*, 280 U.S. 30, 42 (1929). See also *Chemical Cleaning, Inc.* v. *Dow Chemical Co.*, 379 F.2d 294 (5th Cir. 1967), *cert. denied*, 389 U.S. U.S. 1040 (1968); *Locklin* v. *Switzer Bros.*, 368 F.2d 553 (9th Cir. 1966), *cert. denied*, 386 U.S. 963, *rehearing denied*, 386 U.S. 1027 (1967); *Hopp Press, Inc. v. Joseph Freeman & Co.*, 323 F.2d 636.

Loctite charges that since the decree was entered Broadview has made and sold anaerobic curing sealants which

trebly infringe the patents. Since 30 of the formulations which Broadview used prior to the decree concededly infringed the patents, Loctite claims that post-decree use of any of those would constitute a violation of the injunction. Logically, there is no reason why the substitution of equivalents or the introduction of non-affective additional substances to such prohibited formulations should not also be regarded under the doctrine of equivalents as insufficient to erase the infringing character of those formulae. *Hopp Press, Inc.* v. *Joseph Freeman & Co.*, 323 F.2d at 638. Each of the charges will be examined in turn.

The Change to SR-210 from SR-206

Loctite charged that Broadview's entire new CP-line of formulations are not substantially different from formulations admittedly infringing. The testimony at the hearing was limited, however, to a comparison of CP formulations CP-8 and CP-9 with formulation IV, one of the offending formulations used by Broadview prior to the consent decree.

Dr. William Katz, a highly qualified independent expert in the field of polymer chemistry, testified that he had examined Broadview's present formulae and found that both the CP-8 and CP-9 formulations were functionally the same as formulation IV. The major distinction between them was that in both cases, Sartomer Resin SR-210 had been substituted for Sartomer Resin SR-206. Formulation IV contained both resins. Katz stated, Broadview's expert did not contradict, and I find that the SR-210 is essentially the same as SR-206 chemically, with only a slight difference in its organic structure which on that account has no substantial effect on the adhesive strength of the compounded product. Thus, formulations CP-8, CP-9 and IV are substantially the same and their differences are not significant.

Broadview did not seriously dispute the fact that the change from the use of both resins to the use of only one

in its formulations made a merely colorable difference. Rather, it chose to rely on the fact that the CP-8 and CP-9 formulations were identical to the earlier formulations I and XXIX respectively, these formulations having been omitted from the list of infringing formulations in the settlement agreement between the parties dated February 3, 1967. Broadview insists that the exclusion from the settlement agreement of these specific formulations meant that they were found *not* infringing. But the court cannot either expand or contract the decree. *Butler* v. *Danton*, 150 F.2d 687 (10th Cir. 1945).

The question is whether the consent decree, in light of the settlement agreement, *cf*, *Hamilton* v. *Rogers*, 99 F.Supp. 509 (E.D. Mich. 1951), should be read as finding Broadview's formulations I and XXIX non-infringing. The language of the consent decree, which is controlling on this court, merely states that Broadview manufactured and sold products "made under formulations covered by said Letters Patent." The accompanying settlement agreement, which specified the violating formulations, was not incorporated into the consent decree. These admittedly offending formulae are contained in Broadview's answers to Loctite's interrogatories 23 and 24 and are subject to a protective order. (see n.2)

Neither the consent decree nor the settlement agreement specifically stated that any of Broadview's formulations were non-infringing. The settlement agreement identifies by Roman numerals which formulae were positive violations of Loctite's patents; the consent decree enjoined the manufacture and sale of 30 such formulations.

Since CP-8 and CP-9 are equivalent to IV, one of those specified in the settlement agreement, they infringe. That I and XXIX were not separately specified in the agreement does not compel an inference that they were non-infringing;

they are identical to CP-8 and CP-9, which Broadview presently uses. They infringe.

The Addition of Minute Amounts of Amines

Dr. Vernon K. Krieble, a Loctite chemist and inventor, testified that amines are commonly used and permissible in sealant compounds in quantities ranging from 0.5 to 5.0 per cent by weight. One of the claims of Loctite's '262 patent is that the "addition of amine accelerators to the sulfimides [a category of anaerobic sealants containing a sulfimide accelerator] provides no significant advantage in terms of activity and greatly reduces shelf life so that amines should be excluded from sulfimide mixtures when shelf life is desired." Broadview uses saccharin and benzoic sulfimide in its compositions CP-1 through CP-7, and an amine, ethoxyethoxyethoxy propylamine. Because the use of quantities of amines ranging from 0.5 to 5.0 per cent by weight with saccharin is claimed to be permissible as being within the prior art,[3] Broadview argues that it cannot be found to infringe because it uses amines in its formulation. But it is not the use of amines which is complained of. Rather, it is the failure to use enough amines to avoid the claim that amines should be excluded from the composition. Loctite contends that the use of minute amounts ranging from 0.025 to 0.05 per cent by weight is "equivalent" to the exclusion of amines as taught by its patent, and not within the range disclosed in the prior art.

Dr. Katz, Loctite's expert, testified that at his suggestion tests were run on Broadview's formulation CP-1 with varying amounts of the ethoxyethoxyethoxy propylamine to determine the effect of varying amounts on shelf-life. Gorman, the chemist who ran the tests, testified that the

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3. Prior art was not put into evidence at the hearing.

products made from amounts of the amine ranging from 0.025 to 0.05 per cent by weight lasted more than 600 hours under test conditions with out hardening, while products which included the larger amount of 0.5 per cent by weight lasted only 55 hours. Katz interpreted this to mean that the minute amounts of amine would have no substantial detrimental effect on the shelf stability of products made from any of the CP-1 through CP-7 formulations.

Upon the testimony of both Katz and Gorman and the absence of any contradicting testimony by Broadview's expert, it is clear that such a small amount of amines as Broadview added to these sulfimide compositions has no significant effect. It is substantially the same as if no amines were used. Thus, the CP-1 through CP-7 formulations perform "substantially the same function in substantially the same way to obtain the same result" as the protected formulations under the '262 patent. This effective exclusion of amines thus violates the injunction entered on the consent decree.

The Use of Quinone

The most substantial issue raised in this contempt proceeding and towards which the bulk of the testimony was directed was whether Broadview's "Sta-Lok 500" and "Sta-Lok 800" infringed the quinone ('820) patent in disregard of this court's injunction. Basically, the quinone patent forbids the use of quinone in these anaerobic adhesive sealants. Broadview admits that the deliberate use of quinone would constitute infringement of the patent and a violation of the injunction, but argues that the mere presence of quinone is not per se infringing.

In *Chemical Cleaning, Inc.* v. *Dow Chemical Co.*, 379 F.2d 294, the protected chemical, thiourea, was compounded with formaldehyde, but when the compound was put to its

intended use the thiourea separated from the formaldehyde and the product performed in substantially the same way as the patented solution. This technique of causing the release of the chemical in the product was held to violate the patent under the doctrine of equivalence. *Cf. G.D. Searle & Co.* v. *Byron Chemical Co.*, 223 F.Supp. 172, 174 (E.D.N.Y. 1963). Thus, if the quinone here is released in the sealant through chemical reaction, this too is a violation of the patent as the quinone is still being used in the product. It would not matter whether Broadview knew of the chemical release of the quinone or whether it did this intentionally for willful intent is not an element in civil contempt.

Broadview argued that it does not use quinone in "Sta-Lok 500" and "Sta-Lok 800" but only uses hydroquinone. The use of hydroquinone in a sealant composition does not infringe the quinone patent. Loctite, through the use of a chemical test performed in court, established the presence of quinone in these products.

In the carefully performed test, Loctite's chemist Neumann ran four samples. The first test tube contained only the base monomer used in both the Loctite and Broadview formulations. The second contained the monomer and 100 parts per million quinone. The third contained monomer and 100 parts per million hydroquinone. The fourth contained a sample of "Sta-Lok 500" bought on the commercial market subsequent to the consent decree. Three acidified water extractions were performed on each sample and a final benzine extraction was performed on the resultant solution. A small amount of diethylamine was added to each test tube. Within seconds a rosy pink color reaching a peak of color after 5 minutes developed in both the quinone and the "Sta-Lok 500" test tubes. The plain monomer and the hydroquinone solution remained clear.

This was just what Neumann had predicted. The "Sta-Lok 500" solution was only slightly less pink than the 100 parts per million quinone solution.

Further testimony by Neumann showed that this color test for quinone has sufficient validity to meet scientific standards capable of testing for the presence of quinone. *Cf. Research Laboratories, Inc. v. United States,* 167 F.2d 410, 415-16 (9th Cir.), *cert. denied,* 335 U.S. 843 (1948); *United States* v. *7 Jugs,* 53 F.Supp. 746, 759 (D. Minn. 1944). It had been used by Loctite to check on the "Sta-Lok" products to determine if they were infringing. Loctite found that in hundreds of tests of products purchased after the consent decree both "Sta-Lok 500" and "Sta-Lok 800" contained quinone. The test and the testimony establishes that quinone is present in the "Sta-Lok" products.

Dr. Muggli, Broadview's chemical expert, sought to challenge the validity of the color test for quinone. Apparently, there was no method for testing for these small quantities of quinone in solution until Neumann developed his color test. Muggli endeavored to demonstrate that in the same test a pink color could also be obtained with only hydroquinone present.

Muggli did not perform the same test, but varied it in certain important aspects. He did not test a quinone sample, the "Sta-Lok 500" or a control sample of plain monomer, but only used one test tube containing a hydroquinone solution. Instead of the 100 parts per million used by Neumann, Muggli claimed he used roughly 400 to 500 parts per million, although both Neumann and Gorman, who were closely watching the test, subsequently testified that he used at least 2000 parts per million. Tertiary-butyl hydroperoxide was added to the hydroquinone solution without any reasonable explanation to the court. The acidified water extractions and the benzine extraction were

performed and the diethylamine was added. After a few minutes a very faint pink color developed.

The test by Dr. Muggli was not in the least persuasive of his theory that it was hydroquinone that produced the pink color in the "Sta-Lok" sample in the first test. Neumann testified that with the larger amount of hydroquinone and the presence of tertiary-butyl hydroperoxide, there would be some oxidizing of the hydroquinone to form a little quinone, *this* quinone giving the faint pink color. Broadview, however, does not use hydroquinone in its products in such large quantities that would result in oxidation and the formation of a substantial amount of quinone.

The fact is that the pink color which devolped in the "Sta-Lok 500" sample in the first test was far darker than the color produced through oxidation. This certainly showed the presence of quinone. Loctite has proved with clear and convincing evidence that there was quinone in Broadview's products sold after the date of the consent decree and, therefore, in violation of the injunction.

I conclude that Broadview is guilty of civil contempt in each of the four respects considered above.

Damages, Costs and Attorney's Fees

Although Loctite requested payment of damages suffered because of Broadview's contempt, this issue was not pursued at either hearing and no proof was submitted. In the absence of a showing of lost profits by Loctite or profits made by Broadview on its infringing products, there can be no finding of money damages.

Even though this is basically a patent infringement case, the rule that attorney's fees are to be awarded only in exceptional cases (35 U.S.C. § 285) does not apply here as this is a civil contempt proceeding. *Sunbeam Corp.* v. *Gold-*

en Rule Appliance Co., 25[illegible] F.2d 467 (2d Cir. 1958); *Siebring* v. *Hansen*, 346 F.2d 474. It is within the sound discretion of the court to award reasonable attorney's fees and costs. An injunction should also issue enjoining Broadview, its officers, directors, employees, agents, successors and assigns from infringing United States Letters Patent Nos. 2,895, 950; 3,043,820; and 3,046,262 and specifically from sale of use of its "Sta-Lok 800" and compositions formulated according to CP-1 through CP-9. For each future violation of the consent decree the violating persons shall each pay to Loctite Corporation $2,000.00.

Broadview Chemical Corporation shall pay Loctite Corporation the expenses of prosecuting these motions, including counsel fees. In the event that this amount cannot be agreed upon between the parties within thirty (30) days, Loctite shall submit affidavits in support of its claimed expenses.

SO ORDERED.

Dated at Hartford, Connecticut, this 19th day of June, 1968.

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M. Joseph Blumenfeld
United States District Judge

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Nos. 219-220—September Term, 1968.
(Argued December 5, 1968 Decided January 23, 1969.)
Docket Nos. 32722-32723

BROADVIEW CHEMICAL CORPORATION,
Plaintiff-Appellant,

vs.

LOCTITE CORPORATION,
Defendant-Appellee.

Before:

LUMBARD, *Chief Judge,*
FRIENDLY, *Circuit Judge,* and FRANKEL, *District Judge.**

Appeal from an order of the United States Court for the District of Connecticut, M. Joseph Blumenfeld, *J.*, finding appellant in contempt of a consent decree enjoining infringement of patents. Affirmed for the most part, reversed in one respect, and remanded.

GRANGER COOK, JR. (Hume, Clement, Hume & Lee, Chicago, Illinois; David A. Anderson, James P. Hume and Henry L. Brinks, of Counsel), *for Plaintiff-Appellant.*

WALTER D. AMES (Watson, Cole, Grindle & Watson, Washington, D. C.; Robert J. Lasker, J. Rodney Peck, and W. Robert Hartigan, of Counsel), *for Defendant-Appellee.*

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* Of the Southern District of New York, sitting by designation.

FRANKEL, *District Judge*:

In June of 1964 Broadview Chemical Corporation, the plaintiff-appellant, brought the action from which this appeal arises seeking a declaration of invalidity and non-infringement with respect to several patents held by Loctite Corporation, the defendant-appellee. Following counterclaims charging infringement and a course of discovery proceedings, the parties, on February 3, 1967, made a settlement agreement which provided for, and incorporated, the consent decree Broadview has now been found to have violated. Some limited aspects of the patents and of the steps preceding the settlement are germane to the issues on this appeal.

The patents cover anaerobic curing sealant compositions which serve to bond metals together in the absence of air (specifically, oxygen)—e.g., when spread upon the surface of a screw and bolt which, upon being threaded together, exclude air and are thereby made to adhere to each other through the action (polymerization) of the patented composition. In the course of discovery, responding to Loctite's interrogatories, Broadview listed the 32 formulations, designated by Roman numerals I-XXXII, of the sealant compositions it was making and selling. Thereafter, in a stipulation of facts dated May 31, 1966, the parties agreed in the following language that Loctite's charges of infringement (and the "issues" generated by such charges) were rested upon three patents and directed against the several formulations, as follows:

The claims of Loctite Corporation's patents which are in issue and are charged to be infringed by Broadview Chemical Corporation products and the Boardview Chemical Corporation products from among the formulations given in the answers to Loctite Corporation's interroga-

tories which are charged to infringe the Loctite Corporation patents and which therefore are in issue are as follows:

Claims	*Product Formula No.*
1, 2, 5, 8, 10 and 27 of Patent No. 2,895,950	III, V-XXVII inclusive and XXX-XXXII inclusive
1, 2, 4 and 11-14 of Patent No. 3,043,820	IV-VI inclusive IX-XII inclusive XVI, XXIV, XXV, XXVI, XXVIII and XXXII
9 of Patent No. 3,043,820	V, VI, IX-XII inclusive XVI, XXIV, XXV, XXVI, XXVIII and XXXII
1, 2 and 4-6 inclusive of Patent No. 3,046,262	II, III, V and VI

In other words, Loctite charged that 30 of Broadview's 32 formulations (Nos. II through XXVIII and XXX through XXXII) infringed one or more of the patents. Two of the formulations, Nos. I and XXIX, were omitted from this listing of "the Broadview * * * products from among the formulations given in the answers to Loctite Corporation's interrogatories which [were] charged to infringe * * * and which therefore [were] in issue * * *."

The settlement agreement of February 3, 1967, among its other relevant aspects, incorporated the stipulated description of the "charges" and the "issues" in the case, and tied these to the consent decree, by providing (par. 5):

The Broadview formulations referred to in the Consent Decree (Exhibit 1) are:

Formulations II through XXVIII inclusive

Formulations XXX through XXXII inclusive.

And the consent decree, as thus described, after announcing, *inter alia*, that the parties had "settled their differences

with respect to the matters in dispute," adjudged that Broadview had infringed "Patent Nos. 2,895,950; 3,043,820 and 3,046,262 by the manufacture and sale of products made under formulations covered by said Letters Patent * * *."

The decree went on to enjoin further infringement of the named patents; to provide that each party would pay its own costs and attorneys' fees; and to state that there should be no award of damages since Broadview had "made a monetary payment" ($7,500) to Loctite under the settlement agreement.

The peaceful era thus inaugurated was short. In September, 1967, Loctite moved to punish Broadview for contempt of the consent decree, charging that the latter was making and selling named products which infringed claims of Patent No. 3,043,820. Following a hearing and some discovery, Loctite filed a supplemental motion charging as further contiumacious acts that:

(1) Broadview had "resold substantial quantities of admittedly infringing compositions more than five months after" the signing of the consent decree.

(2) Broadview's present formulations CP-1 through CP-9 were "but colorable imitations of" prior formulations which had admittedly infringed Patent No. 3,043,820.

(3) Broadview's formulations CP-1 to CP-7 infringed Patent No. 3,046,262.

After discovery proceedings and three days of evidentiary hearings, Judge Blumenfeld concluded that all the contempt charges should be sustained. He held, first, that the "resales" of the old, admittedly infringing formulations violated the decree. Further, he found that all of Broadview's assertedly new formulations (identified as CP-1

through CP-9), contrary to the decree's prohibitions, infringed either Patent No. 3,043,820, or No. 3,046,262, or both. In a detailed opinion, he explained the bases for these determinations and prescribed remedial sanctions.

In its appeal Broadview tenders five questions (we formulate them as four) on which it claims the District Court erred.* We reject all of these contentions save one, the effect of our ruling being to absolve only Broadview's new compositions CP-8 and CP-9 from the charge of contempt.

I.

As is true of substantially all the District Court's fact findings, there is no quarrel by Broadview with the findings that: (1) Broadview's distributors, after the consent decree, began returning the products which had been declared to infringe; (2) Broadview in some cases resold such returned products to other distributors; and (3) in other cases, Broadview arranged for direct transfers of such products from one distributor to another, crediting the transferor with what amounted to returns and billing the transferee for purchases. Broadview argues, however, that these post-decree transactions were outside the terms of the injunction because Loctite, in the settlement agreement, had given a standard form of release "of and from any and all actions, causes of action, claims and demands which Loctite Corporation may have against [Broadview, its officers, customers, etc.] jointly or severally, from the beginning of the world to the date hereof." The argument is not weighty.

The consent decree adjudged that Broadview had infringed by "manufacture and sale" of the condemned prod-

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* Loctite filed a notice of cross-appeal, evidently designed to assert some question about the relief adjudged for the contempt, but was permitted to withdraw it at the oral argument.

ucts. It enjoined such infringement for the future. Cf. *Western Lighting Corp.* v. *Smoot-Holman Company*, 352 F. 2d 1019, 1022 (9th Cir. 1965). The release, because Broadview was making an agreed payment for the past, waived any claims for infringement, whether by "manufacture" or "sale," up "to the date" of the settlement. There was no suggestion in the customary language of the release that it was intended to excuse any acts of infringement (whether by manufacture or by sale of products already in existence) after its date. There was no hint of the thought now pressed that the release gave immunity for any future sales or uses of products in existence as of its date. And Broadview introduced no evidence in the contempt hearing to suggest that the parties had intended any such unusual meaning. On the contrary, answering interrogatories during the contempt proceedings, Broadview's President said he believed "part or all" of the infringing products in Broadview's possession on the date of the consent decree had been "discarded or destroyed" and that none had been "transferred to another for consideration * * * monetary or otherwise." True or false, these answers were consistent with the terms of the decree and the release, not with the unlikely construction Broadview now proposes.

II.

Insofar as Judge Blumenfeld's findings of contempt rest upon his determination that Broadview has, since the consent decree, made and sold compositions infringing Patent No. 3,043,820, Broadview attacks his decision in an elaborate argument charging (1) that he mistakenly failed to consider the prior art and (2) that he improperly limited discovery with respect to the prior art. These interrelated contentions, to which there are short answers, may be summarized briefly for our purposes.

As Broadview states the starting-point for this line of argument, it is that Patent No. 3,043,820 "covers compositions including (1) a dimethacrylate (monomer), (2) a hydroperoxide (catalyst), and (3) a quinone (inhibitor)." Elaborating this summary, Broadview stresses that the inclusion of hydroquinone, as distinguished from quinone, "was old and in the public domain." Thus, the argument continues, "by using or adding hydroquinone to the accused sealant compositions, Broadview is following the prior art and is not infringing * * *."

Insofar as this argument rests upon the specific ingredients of Broadview's formulations, it is frivolous. All of the admittedly infringing formulations under the consent decree showed hydroquinone as an ingredient; none showed quinone. Thus, it was obviously not required that quinone appear as a specific ingredient in the formulation in order to make the formulation an infringement. It is not more meritorious to contend, as Broadview does, that the quione now to be found in its post-decree compositions can only result from the use of hydroquinone and *must*, therefore, be no more than *must* have been present in the prior art. The trouble with this undocumented assertion is that it is flatly opposed to Judge Blumenfeld's finding that Broadview's products made since the decree contain quinone which is not, and cannot be, accounted for by the use of hydroquinone. Without actually assailing that finding, which is solidly grounded in the record, Broadview argues as if it did not exist. The argument must obviously fail.

The point about limited discovery regarding the prior art is an even shorter subject. Having examined the pertinent portions of the record, we find that Judge Blumenfield actually placed no restrictions like those now suggested upon Broadview's inquiries. Two of the four interrogatories in question were answered to the expressed satisfac-

tion of Broadview's attorney. The same attorney suggested that rulings on the other two be deferred. His failure thereafter to revive the matter, reflecting its essential triviality, can scarcely ground a claim of error by the District Judge.

III.

As one of its determinations that the decree had been violated, the District Court found that Broadview's new formulations CP-1 through CP-7 infringe Patent No. 3,046,262. This patent, informally labelled the "saccharin patent" by the parties, is sufficiently indentified for present purposes by (1) its provision for inclusion of a sulfimide (e.g., saccharin) accelerator for rapid curing and (2) its teaching that the composition should "exclude" or be "free from amines" in order to promte long shelf life. It is undisputed that Broadview's CP-1 through CP-7 contain saccharin. It is also undisputed that they contain what Broadview describes as a "minor amount of amines" in the range of from 0.025 to 0.05 per cent by weight. In a fruitless discourse on "file wrapper estoppel," Broadview undertakes to show that this faint trace of amines, too slight to have any effect of any kind, avoids Loctite's patent.

Coming to grips with the Patent Office history, Loctite has shown persuasively that file wrapper estoppel is not really a relevant concept at all—that the provision for having the composition "free from amines" was not inserted in the requisite sense to narrow the claims "in order to obtain the issuance of a patent by distinguishing the prior art * * *." *Graham* v. *John Deere Co.*, 383 U. S. 1, 33 (1966); see also *I. T. S. Co.* v. *Essex Co.*, 272 U. S. 429, 444 (1926); *Warning Products Corp.* v. *Landers, Frary & Clark*, 263 F. 2d 160, 165 (2d Cir. 1959). But there is no need for us to linger over that; even if there were in the

file wrapper history some ground for arguing that the saccharin patent may not be read upon compositions containing some meaningful amount of amines, the argument becomes a fictional abstraction when it is related to such a tincture of physically insignificant amines as Broadview has used to avoid the patent.

The patent, the file wrapper history, and the evidence before Judge Blumenfeld all had reference to a practice in the prior art of using amines as accelerators in the range of 0.5 to 5.0 per cent by weight. Loctite's '262 patent taught that such use of amines reduced shelf life and should, therefore, be avoided "when shelf life is desired." Seizing upon words out of context like "free from amines" or that amines should be "excluded," Broadview fashions its estoppel argument by merely referring to its use of a "minor amount of amines," ignoring the undisputed fact that this "minor amount" is as effective as no amines at all so far as its impact upon shelf life or anything else is concerned. But it is old and obvious learning that a patent may not be avoided by making "unimportant and insubstantial changes and substitutions in the patent which, though adding nothing," are then put forth as answers to infringement charges. *Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.*, 339 U. S. 605, 607 (1950); see also *Bewal, Inc.* v. *Minnesota Mining and Manufacturing Co.*, 292 F.2d 159, 165-67 (10th Cir. 1961). That essential principle applies here, as elsewhere. The patent field is not the only one where due enforcement of the law requires penetrating to the substance behind "sophisticated as well as simple-minded" devices. *Lane* v. *Wilson*, 307 U. S. 268, 275 (1939).

IV.

The remaining point, the one on which we sustain Broadview's appeal, is this: Broadview's new formulations CP-8

and CP-9 are identical, respectively, with its former Nos. I and XXIX. The latter two, it will be recalled, were the only ones of the total of 32 omitted when Loctite was asked in interrogatories to state which of Broadview's compositions it accused. Accordingly, when the parties came to stipulate the facts, 30 formulations (II through XXVIII and XXX through XXXII) were listed as those "charged to infringe" and "therefore" as being "in issue." Similarly, the same 30 formulations were described in the settlement agreement as being the ones "referred to in the Consent Decree (Exhibit 1)." The single reference in the consent decree to which that description had to relate was paragraph 3, which said:

> That Plaintiff has infringed said United States Letters Patent Nos. 2,895,950; 3,043,820 and 3,046,262 by the manufacture and sale of products made under formulations covered by said Letters Patent * * *.

Against that background, Broadview urged in the District Court (and here) that Loctite was "estopped" to claim contempt with respect to CP-8 and CP-9, the current replicas of I and XXIX. Rejecting that thesis, Judge Blumenfeld observed that he could not "either expand or contract the decree," and went on to note, correctly, that "[n]either the consent decree nor the settlement agreement specifically stated that any of Broadview's formulations were non-infringing." CP-8 and CP-9, he found, while identical to I and XXIX, were "substantially the same" as former No. IX, which had been accused by Loctite in the proceedings before the decree as an infringement of Patent No. 3,043,820. Moreover, he found, the "differences" between CP-8 and CP-9 (or I and XXIX), on the one hand, and IV, on the other, "are not significant." Accordingly, he concluded, CP-8 and CP-9 infringe because IV, substanitally the same, was "admittedly infringing."

Like Judge Blumenfeld, we find unhelpful Broadview's claim of an estoppel affecting this subject. We conclude, however, that CP-8 and CP-9 may not be held to infringe—and may not, therefore, supply part of the basis for a contempt order. We rest this conclusion upon what we believe to be a more accurate and persuasive reading of the consent decree, in its context, than that urged by Loctite.

In he dealings leading to the consent decree the parties had Broadview's 32 formulations clearly, explicitly, and steadily before them. Loctite reviewed all of these, and then stated specifically which of the patents (one or more) were claimed to be infringed by each one. It made no claim under any patent against either I or XXIX. The charges against the other 30 were then stipulated as defining the controversy—as identifying the products "which therefore [were] in issue * * *." Then the consent decree, building upon this framework, resolved the issues by adjudging that the 30 specified formulations were infringements.

It is true there was no recital that Nos. I and XXIX were "non-infringing." Nor was it said expressly that they were "not in issue." But the omission of these two formulas had the unmistakable effect of dropping available "issues" and excluding obviously available "differences" from those the consent decree was designed to settle. Such striking omissions, in a setting like this, amount to the plainest kind of tacit understanding that the two items not included were distinguished deliberately and meaningfully.

Loctite's contrary view is not supported, but is impaired, by the finding that CP-8, CP-9 and IV (admitted to infringe) "are substantially the same and their differences are not significant." The same, by definition, had to be true of I, XXIX, and IV when the first two were omitted, and the last one included, in the consent decree. That narrow distinction has every appearance, therefore, of a purposeful and

bargained result rather than an oversight. In these circumstances, we cannot read the consent decree as if it included what it omitted—which is, of course, the result of the interpretation pressed by Loctite.

The order of the District Court is affirmed, except for the finding of contempt with respect to CP-8 and CP-9, which is reversed. The case is remanded for further proceedings consistent with this opinion.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

SUPREME COURT, U. S.

APR 7 1969

JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1151

BROADVIEW CHEMICAL CORPORATION, *Petitioner,*

v.

LOCTITE CORPORATION, *Respondent.*

Brief of Respondent in Opposition to Petition for Writ of Certiorari to the United States Court of Appeals for the Second Circuit

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No.

BROADVIEW CHEMICAL CORPORATION, *Petitioner,*

v.

LOCTITE CORPORATION, *Respondent.*

BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Respondent, Loctite Corporation, files this brief in opposition to a petition by Broadview Chemical Corporation that this Court review a judgment of the United States Court of Appeals for the Second Circuit entered in the above-entitled cause on January 23, 1969.

COMMENTS ON STATEMENT OF THE CASE

Petitioner commences its Statement of the Case with several remarks apparently calculated to prejudice this Court against respondent. It says that petitioner is respondent's "only significant competitor" and that respondent "has refused to license these patents, preferring to use them to maintain an exclusive position in the industry." (Petition, page 3) Of course, petitioner cites nothing in the record to support these statements, and properly so. There is no such record and the statements are in error. There are many other errors in petitioner's brief and appendix, e.g., a miscitation and misidentification of two witnesses in the District Court decision, but as they do not appear to go to the essence of the petition, respondent will not correct them all.

It should be noted, however, that petitioner was held in contempt of Court on four separate bases, one of which involved infringement of United States Patent No. 3,046,262 and another, resale of admittedly infringing compositions. Petitioner casually dismisses, in a footnote to page 5 of its petition, the fact that it has been held in contempt on these bases. Yet, it has not sought redress from this Court that either holding was in error. Consequently, petitioner comes before the Supreme Court of the United States by its own admission twice in contempt of a decree of the U. S. District Court for the District of Connecticut. Now it asks this Court to overrule findings with respect to complex fact situations to which two courts have already expended considerable time and effort. As such, it seeks relief beyond the stated and indeed practicable scope of review by this Court.

THE PETITIONER'S REASONS FOR GRANTING THE WRIT ARE INSUFFICIENT

A. The decision appealed from did not find petitioner in contempt by manufacture or sale of a composition deliberately excluded from a settlement agreement.

In support of the first basis for granting the writ, petitioner urges that the two lower courts committed "reversible error" (Question 1) in failing to find an estoppel against respondent. This is a question of fact, which is unworthy of review and falls outside the scope of Considerations Governing Review on Certiorari, Rule 19 of the Rules of the Supreme Court of the United States. Both the U. S. Court of Appeals for the Second Circuit and U. S. District Court for the District of Connecticut found that, as a matter of fact, respondent was not estopped to allege that petitioner was in contempt of a decree of the District Court by its manufacture and sale of certain formulations identified by petitioner as CP-1 to CP-9, inclusive. As the Court of Appeals said in commenting on the District Court's decision (Appendix, page A-52):

> "Like Judge Blumenfeld, we find unhelpful Broadview's claim of an estoppel affecting this subject."

The fact situation upon which the two lower courts found lack of estoppel is quite complex. An example of such complexity is found in the table entitled, Summary of Broadview's Formulations, errors in which as originally filed caused petitioner to file a substitute petition. Regardless of the inherent merits of the doctrine of estoppel, both the District Court and the Court of Appeals found that the record did not support application of the doctrine. Any detailed review of the factual record would constitute usurpation of this

Court's time for matters not worthy of certiorari and decided correctly by the lower courts.

Two products, CP-8 and CP-9, identical to original formulations I and XXIX that were not originally charged with infringement, were not held subject to contempt. Thus petitioner was granted the relief it seeks on pp. 9 and 10 of its petition. Only products originally charged with infringement have subjected respondent to contempt of court.

B. The alleged conflict of circuits is impertinent and irrelevant to the Court of Appeals decision; further, there is no such conflict.

Petitioner alleges a conflict of circuits between the decisions in *Chemical Cleaning, Inc.* v. *The Dow Chemical Company,* 379 F.2d 294 (5th Cir. 1967), cert. denied 389 U.S. 1040 (1968) and *Ransburg Electro-Coating Corp.* v. *Ionic Electrostatic Corporation,* 395 F.2d 92 (4th Cir. 1968), cert. denied — U.S. — (1968). In this manner it hopes to bring its petition within the scope of Considerations Governing Review of Certiorari set forth in Rule 19 of this Court. In so doing, it overlooks the fact that, even if such a conflict did exist, resolution thereof by this Court would not alter the outcome of the decision of the Court of Appeals. In the decision of that Court (A-42 to A-53), the Court of Appeals did not mention either of the two allegedly conflicting cases. It never reached the law of those cases because it found that the District Judge had never restricted petitioner's inquiries into the prior art. As the Court of Appeals said, referring to the colloquies reprinted at A-19 and A-27:

> "Two of the four interrogatories were answered to the expressed satisfaction of Broadview's at-

> torney. The same attorney suggested that rulings on the other two be deferred. His failure thereafter to revive the matter, reflecting its essential triviality, can scarcely ground a claim of error by the District Judge." (A-48, 49)

Before the alleged conflict of circuits can affect the present litigation, it must first be found, contrary to the finding of the Court of Appeals, that the District Court improperly limited the discovery of petitioner's counsel. Such factual review is not believed consistent with the bases on which this Court grants certiorari.

Further, there is no conflict between circuits here, as evidenced from the fact that this Court denied certiorari in both of the allegedly conflicting decisions. While these decisions could be reviewed at length, it will suffice to state that *Ransburg* required an interpretation of injunctive language not found in claims of the infringed patents; in *Dow* the injunction was written in terms of the claims which had already been scrutinized by the parties in the original action. Both these cases dealt with the applicability of prior art at a contempt proceeding. Furthermore, the doctrine of *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249 (1945) and *Westinghouse Electric & Mfg. Co.* v. *Formica Insulation Co.*, 266 U.S. 342 (1924) which did not deal with contempt proceedings, was not violated. As recited above, however, the District Court here never precluded petitioner from introducing evidence of the state of the prior art. This is a factual basis of the decisions of both lower courts.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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